

Serial No. 10/628,034
Docket No. 60655.0900

REMARKS

Applicants reply to the Office Action dated April 18, 2006, within the shortened three month statutory period for reply. Claims 1-23 were pending in the application and the Examiner rejects claims 1-23. Reconsideration of this application is respectfully requested.

The Examiner rejects claims 1-23 under 35 U.S.C. § 102(e) as being anticipated by Praisner et al., U.S. Patent Publication No. 2002/0174030 ("Praisner"). Applicants respectfully traverse this rejection.

Praisner discloses a system wherein a bank sets a "master credit limit" for an entity, and the entity provides a "dynamic payment card" to employees to allow execution of any company-approved transactions, such that the dynamic payment card "preserves existing purchasing card functionality including standard credit limits on a per card basis" (Praisner, paragraph 128). Furthermore, in the example provided by Praisner beginning in paragraph 151, the master credit limit is \$200,000, and this \$200,000 credit limit is not affected by employees Mary, Ann, Tom, Sam, Sally, and/or any other employee having access to the master credit limit. Praisner discloses multiple cards being distributed to employees, wherein each employee has an associated credit limit; however, the credit limit extended to each employee has no affect on the master credit limit. In other words, the master credit limit disclosed in Praisner will always be \$200,000.

The Examiner asserts that Praisner discloses the presently claimed limitation, wherein the spending power attributed to a subsidiary card consumes a portion of the parent's spending power (credit limit). In support of the assertion, the Examiner cites Praisner, page 20, paragraph 129, which in part states, "a user can use the dynamic payment card to make purchases based upon pre-approved spending authority set on that dynamic payment card. As these purchases are made, they count against the available pre-approved credit or velocity that has been set up for this card" (emphasis added). Note that Praisner uses "this card" in reference to the "dynamic payment card, and "this card" does not refer to a second (parent) card. Purchases made against the dynamic payment card count against the overall spending limit that was set for the dynamic payment card, which is consistent with what is well known in the art. Credit is allocated to a card holder and is associated with a credit card along with a pre-defined credit limit. As purchases are made using the credit card, the available credit is reduced.

Even when credit card issuers distribute cards to a corporation's employees in the name of the corporation, the employee is ultimately responsible for adhering to the terms of the credit

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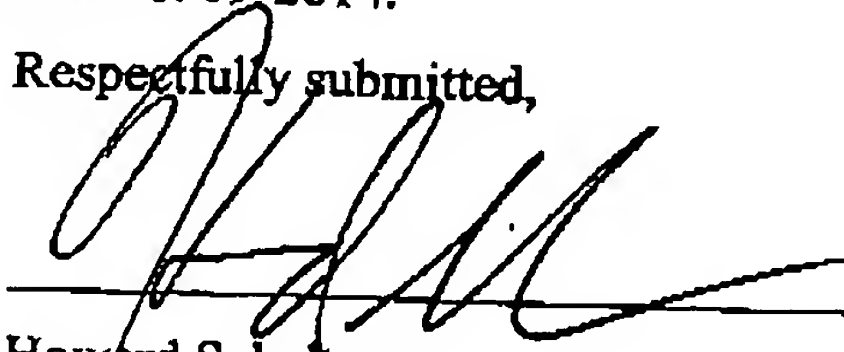
card, including timely payment for purchases made against the credit line. Therefore, if the employee misuses the credit card and/or defaults on the payments, the issuer must absorb the entire loss. As such, the issuer incurs risk when issuing such credit cards to employees of a corporation. Praisner is a perfect example because Praisner does not allocate this risk between the issuer and the corporation. Significantly, as credit is extended to the employee, the overall spending power attributed to the parent corporation is not reduced. If an employee does not account for, or pay an outstanding credit line balance, the corporation's spending power is not reduced regardless of whether the employee is persuaded to pay the balance, or whether the corporation pays the balance on behalf of the employee. As such, Praisner does not disclose or suggest at least, "subsidiary spending power is configured to consume a portion of said parent spending power" and "reducing, at said host computer, said parent spending power by an amount less than said subsidiary spending power when said subsidiary account is linked to said parent account" as similarly recited in claims 1, 11 and 12.

Claims 2-10 and 13-23 variously depend from independent claims 1 and 12. As such, dependent claims 2-10 and 13-23 are allowable for at least the same reasons as set forth above, as well as in view of their own respective features.

In view of the above remarks, Applicants respectfully submit that all pending claims properly set forth that which Applicants regard as their invention and are allowable over the cited references. Accordingly, Applicants respectfully request allowance of the pending claims. The Examiner is invited to telephone the undersigned at the Examiner's convenience, if that would help further prosecution of the subject application. Applicants authorize and respectfully request that any fees due be charged to Deposit Account No. 19-2814.

Respectfully submitted,

Dated: July 18, 2006


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